Reservations from States on GST

3382. SHRI M.P. ACHUTHAN:
SHRI K.E. ISMAIL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some States have reservation about the implementation of proposed Goods and Services Tax (GST) in the country from next year;

(b) if so, the reasons therefor;

(c) the States which have reservations; and

(d) what steps are being taken to bring about a consensus among the States on its implementation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Government of Tamil Nadu have communicated to the Central Government certain concerns related to the implementation of the proposed Goods and Services Tax (GST) in the country from next year. Their main concerns are for having a GST design that is not regressive, is aligned to federal principles of our Constitution, protects revenue interests of the States and Centre, and does not impose additional compliance burden on small and medium enterprises. They have also advised adoption of an implementation schedule for GST that permits requisite capacity building.

(d) The Empowered Committee of State Finance Ministers meets regularly to evolve consensus among States on the various issues involved.

CPI method of calculating inflation

3383. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to change method of calculation with regard to inflation rate which is based on Wholesale Price Index (WPI) which is not realistic;

(b) whether it is a fact that most developed countries use Consumer Price Index (CPI) to calculate inflation rate; and

(c) the reasons for India not switching over to CPI method of calculation of inflation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) There is no proposal to change the method of calculation of inflation based on the Wholesale Price Index (WPI), which is being published on weekly basis regularly since 1947.

(b) According to available information, 157 countries use the Consumer Price Index (CPI) to track inflation, while the WPI is used by 24 countries including India.

(c) The reason why India does not switch over to CPI method of calculating inflation is because we do not have an aggregate CPI, but only four sectional CPIs compiled at the National

level. These are Consumer Price Index for Industrial Workers (CPI-IW), Consumer Price Index for Agricultural Labour (CPI-AL), Consumer Price Index for Rural Labour (CPI-RL) and Consumer Price Index for Urban Non-Manual Employees (CPI-UNME). The National Statistical Commission (2001) has recommended that the Central Statistical Organisation (CSO) compile a national consumer price index by computing the CPI (Urban) and CPI (Rural) separately and then combining together into an All India Index. Data collection for CPI (Urban) has commenced.

Discriminatory clause in recommendations of Sixth Pay Commission Report

3384. SHRI MANGALA KISAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a discriminatory clause has been inserted in recommendations of Sixth Pay Commission *vide* First Schedule, Part-A, Section II which defines entry pay for direct recruits on or after 1 January, 2006;

(b) the reasons for having given fitment factor of 1.43, 1.68, 1.78 for pay band of Rs. 6500, Rs. 7450 and Rs. 7500, respectively, for those joining service on or after 1 January, 2006;

(c) the reason for not giving the fitment factor of 1.86 to these recruits; and

(d) by when this anomaly would be rectified?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (c) As per the recommendations of Sixth Central Pay Commission, the revised pay structure has been implemented with effect from 1.1.2006 and fitment benefit is to be given to existing government servants as on 1.1.2006. Entry pay of direct recruits appointed on or after 1.1.2006 is to be fixed in accordance with Section II, Part A of First Schedule to the Central Civil Services (Revised Pay) Rules, 2008. The same has been notified on the basis of the recommendations of Sixth Central Pay Commission contained in para 2.2.22(iv) of its Report.

(d) Pay fixation based on the reply to parts (a), (b) and (c) above does not constitute an anomaly.

Annual cost of e-filing of TDS returns

3385. SHRI RAHUL BAJAJ:
SHRI RAJKUMAR DHOOT:

Will the Minister of FINANCE be pleased to state what is the estimated annual cost of e-filing of Tax Deducted at Source (TDS) returns etc. by a company and what efforts are being done to reduce the cost for small entrepreneurs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): A taxpayer is not liable to make any payment to the Income-tax Department for using its facilities for e-filing of this income-tax return.